

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 96 - HB 85

March 1, 2015

SUMMARY OF BILL: Authorizes the Commissioner of General Services, through the Tennessee Real Estate Asset Management (STREAM) Division, to publish advertisements for needed lease space for any state department or agency on the Central Procurement Office's website at least two weeks before proposals are opened. Increases, from \$25,000 to \$50,000, the amount of a lease for which advertising is not required.

ESTIMATED FISCAL IMPACT:

Other Fiscal Impact – The reduction of published advertisements resulting from the provisions of the bill is unknown. Each lease that does not require a published advertisement will result in decreased state expenditures of \$1,250.

Assumptions:

- Currently, advertising for needed lease space is posted in a newspaper of general circulation in the city or county where the space is needed at least two weeks before proposals are opened. The state department or agency requesting the space pays for the cost of advertising in the newspaper.
- Advertising leases on the CPO's website will not have a significant fiscal impact on the Department. Any increase in costs can be accommodated within existing resources.
- According to the Department of General Services, the Department advertised 31 leases at a cost of \$38,750 in 2014.
- Increasing the amount of a lease for which advertising is not required may reduce the number of published advertisements that are required annually. While it is not known how many leases would fall under the increased threshold for not requiring published advertising, on average each lease that does not require published advertising will reduce state expenditures by \$1,250 (\$38,750 / 31 leases).

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "Jeffrey L. Spalding".

Jeffrey L. Spalding, Executive Director

/lsc